

Hearts Learning Lab Simulation

Led by Sarah Toms & Professor Maurice Schweitzer

AI West Jr. Learning Lab Overview

Sarah Toms, Director

- Founded in 2001 from a grant from AI West, Jr., the team is responsible for experiential learning at Wharton and bringing to life what faculty are teaching.
- Bring simulations and experiential learning into classrooms for undergraduate, MBA, WEMBA, Executive Education, and alumni
 - 10,000+ student plays per year at Wharton
 - 17,000+ student plays through Harvard Business Publishing
 - Doing more and more Lifelong Learning Events
- Received the Academy of Management Innovation in Entrepreneurship Pedagogy Award in 2016
- Wharton is at the forefront of this technology. Through SIMPL, Wharton's new open source simulation framework, going to give the framework away for free. This will allow other places to build simulations without high barrier to entry (high cost).

Negotiation Simulation

Maurice Schweitzer, Cecilia Yen Koo Professor of Operations, Information and Decisions

- Maurice Schweitzer teaches the advanced negotiation class and uses this simulation with his students.
- The exercise was a two-party negotiation. Participants were assigned to potential buyer and potential seller roles and paired with someone else in the room. Negotiations were done completely by texting through their devices.
- When the exercise was complete, graphs would show the data from the group.
- Debriefing:
 - Zone of agreement: how thin or thick is the market?
 - In thick markets, there are a lot of alternatives, many buyers and sellers, and lots of information, leads to a narrow zone of agreement (for example, the stock market).
 - In thin markets, idiosyncratic goods, and unique items, creates large disparity in values and a wide zone of agreement (for example, a painting, like in this simulation).
 - Classic negotiation dance goes in rounds. There is an exchange of offers and concessions; buyers and sellers alternate and take turns.
 - Tend to see larger concessions in beginning and smaller concessions at the end.
 - Often hear the phrase "let's split the difference," so it matters where you start.
 - Expect the seller to go first or list a price, even when we know it's negotiable.
 - Tend to end up pretty close to the average of the first two prices.

- In negotiation, part of the challenge is in perspective-taking: not just what is good for me, but what does my partner want to get out of this?
- Satisfaction is subjective. People can be more or less satisfied with the same outcome. It matters how we feel we did compared to others.